

## Message Text

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71

ACTION AID-31

INFO OCT-01 NEA-10 ISO-00 EB-11 COME-00 TRSE-00 OMB-01

AGR-20 CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01 /086 W

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R 061210Z DEC 73

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 307

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EO 11652: N/A

TAGS: EAID, EFIN, CE

SUBJ: IBRD TEAM

1. SUMMARY: THREE OF FOUR MEMBERS OF IBRD DELEGATION NOW IN COLOMBO TO EVALUATE SITUATION AND PROSPECTS CEYLONese ECONOMY CALLED ON CHARGE 5 DEC FOR GENERAL DISCUSSION. IN RESPONSE TO OUR VIEW THAT PRESENT CIRCUMSTANCES JUSTIFY SOMEWHAT MORE OPTIMISM THAN PREVIOUS 12-18 PREVIOUS MONTHS, THEY SAID THEIR INITIAL IMPRESSION WAS GENERALLY IN AGREEMENT, BUT OF COURSE FINAL CONCLUSION WOULD ONLY FOLLOW THEIR CURRENT DETAILED INVESTIGATIONS AND WRITING OF REPORT. END SUMMARY.

2. WORLD BANK DELEGATION CHIEF E.K. HAWKINS, ACCOMPANIED BY TWO MEMBERS, MESSRS. HAYN AND CLEVELAND, CALLED ON CHARGE 5 DEC. AID AND ECONOMIC OFFICERS WERE PRESENT. AFTER REFERRING TO IMPRESSION THAT IBRD WAS NOT MOST POPULAR INSTITUTION IN SRI LANKA, THUS ACCOUNTING FOR TEAM'S INTEREST IN PROCEEDING ON "LOW PROFILE" BASIS, HAWKINS SAID THEY HAD BEGUN INVESTIGATION IN DEPTH OF SRI LANKA'S ECONOMIC SITUATION AND PROSPECTS IN PREPARATION FOR DRAFTING AN "ANNUAL REPORT". STATING THAT TEAM WAS GETTING IN TOUCH INDIVIDUALLY WITH ALL AID GROUP DONOR MISSIONS IN COLOMBO, HE SAID ANY ASSESSMENT WE COULD GIVE WOULD BE USEFUL.

3. AFTER EXPRESSING APPRECIATION FOR CALL, CHARGE SAID THAT GIVEN SRI LANKA'S CONTINUED ECONOMIC DISTRESS AND  
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UNCERTAINTIES, TEAM'S WORK WAS EXTREMELY IMPORTANT TO UNDER-

STANDING SITUATION AND REPORT WOULD HAVE GREAT INFLUENCE ON ATTITUDES OF AID DONORS. CHARGE SAID THAT EXTERNAL IMPROVEMENTS COUPLED WITH GSL'S STATEMENTS AND ACTIONS DURING 1973 INDICATING RECOGNITION OF ECONOMIC REALITIES WERE ENCOURAGING AND LED US TO BE RATHER OPTIMISTIC. IN RESPONSE HAWKINS' SPECIFIC QUESTIONS, EMBOFF OUTLINED HOUR INFORMATION ON CURRENT FOOD SITUATION. WE THEN SUMMARIZED OUR GENERAL IMPRESSION OF EVOLVING GSL ECONOMIC PHILOSOPHY AS SHOWN BY ACTIONS/STATEMENTS LAST 12 MONTHS. OUR CONCLUSION WAS THAT GSL'S OVER-ALL POSTURE SEEMED TO RECOGNIZE FACTS OF CEYLONESE ECONOMIC SITUATION AND TO ADOPT POLICIES AND TAKE ACTIONS REFLECTING THOSE FACTS RATHER THAN REQUISITIEER OF POLITICAL IDEOLOGY.

4. WITHOUT GOING INTO DETAIL, HAWKINS SAID THEIR FIRST IMPRESSION WAS ABOUT THE SAME. THEY SAID THEY WOULD CARRY OUT STANDARD ANALYSES OF 1974 BUDGET AND WOULD EXAMINE BALANCE OF PAYMENTS/FOREIGN EXCHANGE PROSPECTS IN GREAT DETAIL FROM FIGURES GSL HAS ALREADY PROVIDED THEM. REFERRING TO MCNAMARA'S NAIROBI "SOCIAL INDICATORS" SPEECH, HAWKINS SAID THAT ALTHOUGH TRADITIONAL ECONOMIC PERFORMANCE CRITERIA WOULD CLEARLY BE APPLIED, WORLD BANK WAS ALSO SPECIFICALLY INTERESTED IN EXAMINING SRI LANKA'S SITUATION AND GSL POLICIES IN CONTEXT OF INCOME DISTRIBUTION/SOCIAL BENEFIT APPROACH.

5. HAWKINS SAID THEY WOULD LIKE TO BE IN TOUCH WITH US AGAIN ON THINKING WITH RESPECT TO US ASSISTANCE AND ON FURTHER DETAILS OF FOOD SITUATION.  
BYRNE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, ECONOMIC CONDITIONS, VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Disposition Reason:**  
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**Previous Handling Restrictions:** n/a  
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**Subject:** IBRD TEAM  
**TAGS:** EAID, EFIN, CE, IBRD  
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